



ENERGY TECHNOLOGIES LIMITED

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Australian Stock Exchange
Company announcements platform
25 July 2019

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Shareholder Update

Energy Technologies Ltd (ASX:EGY) is pleased to announce that its 100% owned subsidiary, Bambach Wires and Cables Pty Ltd is about to begin initial production in its new Rosedale facility. Work on the new site started in January this year with initial demolition works and then refurbishment of the building and offices. Equipment began arriving in late February with final deliveries occurring in late May. To date a full production line consisting of a fast core extrusion line capable of speeds in excess of 700m per minute, a sheathing line for small diameter cables and an automatic winding line for winding small diameter cables onto 100, 200 and 500m reels has been installed and commissioned. This line will begin producing the Advance brand air conditioning cable and Advance brand Polysafe cables. Further equipment consisting of large bunching and winding machines as well as a large diameter extruder are currently installed and being readied for commissioning. Once commissioned, Bambach will be able to extend its production range to production of Bambach branded Traffic cables, including the Traffic-Cab and Detecta-Cab range of cables as well as the Bambach Tracksure and Tracksafe branded power and signalling rail cables.

Further equipment will continue to be installed over the remainder of 2019 with full production expected to be reached by November/December this year. The new facility will be capable of producing in excess of 250 tonnes of finished cable products per month, a vast improvement on Bambach's current capacity of less than 30 tonnes per month from its existing Brookvale plant.

Bambach Wires and Cables was established in 1936 and is the oldest surviving Australian owned cable manufacturer operating in Australia. The company manufactures a vast range of industrial and specialist cables for the mining, infrastructure, defence and construction markets in Australia as well as supplying various original equipment manufacturers operating in Australia. Earlier this year EGY completed a group restructure which included converting \$16.1m of structured debt into \$10.7m of equity, removing debt. The company now has a strong balance sheet with approximately 13m of consolidated net assets and \$1.1 m of net current assets. It continues to average orders in hand in excess of 1.5 m. Its subsidiary Bambach Wires and Cables has an invoice financing facility with a current limit of \$3m able to be extended as the business grows. In order to enable the Bambach business to take full benefit from the much greater manufacturing capacity provided by its new Rosedale facility, the company is seeking a modest trade financing facility to facilitate the purchase of raw materials. As part of the restructuring of the company, Bambach purchased the assets and Intellectual property of Advance Wires and Cables Pty Ltd, an Australian manufacturer of cables for the commercial and residential building industry. It is expected that with the addition of the Advance range of cables, vastly increased manufacturing capability and substantially reduced manufacturing costs due to equipment that runs at speeds up to three times faster than existing Bambach equipment, Bambach will be able to grow its business from its existing revenues of between \$14-\$18 m per annum to revenues in excess of \$40m over the short to medium term future.

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For further information please contact:

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